

## Memorandum

To : Advice Request Meeting Participants

Date : 1/14/85

File No. M-85-033

From : **FAIR POLITICAL PRACTICES COMMISSION**  
Jeanne Pritchard

Subject: Receipt of line of credit and free meals, drinks and  
show tickets from gambling casinos

Dan Lowenstein has asked whether an officeholder has received reportable income in the following situations:

The officeholder frequently goes to Nevada to gamble. The casinos offer the following benefits to their "preferred" customers:

(1) A line of credit. A typical line of credit for this officeholder is \$1,000 to \$3,000. The officeholder receives chips in the specified amount, uses them during the time he is there, and pays back the full amount at the end of the gambling trip. On occasion, he has paid the line of credit as soon as he returns home, rather than before he leaves the casino. Is this a reportable loan?

(2) Free meals, drinks and tickets to shows. It is understood by the official that he is a "preferred customer" and that free meals, drinks and tickets to shows are available to him for the asking. When he takes advantage of the freebies, has he received reportable gifts?

The casinos involved are the Hilton and MGM, both of which do business in California.

CONCLUSION: It was decided at the advice request meeting on Jan. 17, 1985, that:

(1) the line of credit is not a reportable loan as long as the official repays it in full before leaving the casino. It is considered to be a part of his hotel bill, like any other charges added to the bill. If he does not repay it before he leaves the casino, he has received a reportable loan.

(2) the free meals, drinks and tickets to shows are not reportable gifts because these things are provided in the regular course of business to members of the public without regard to official status.